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Briefly Speaking

B. Sp. No. 13 March 25, 1940

"As the Farmer is Enriched—"

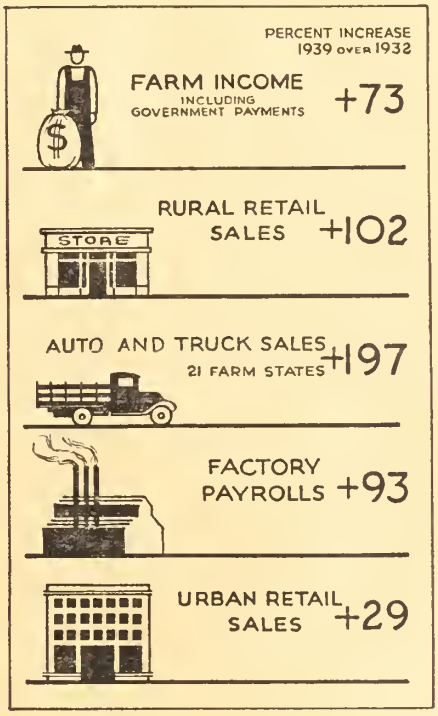
Income Up

Farmer's total cash income from marketings, commodities placed under loan, and Government payments in 1939 amounted to $8,518,000,000. In 1938 total cash income from the same sources amounted to $8,081,000,000 and in 1937 to $9,111,000,000. In 1932, when farm income reached the lowest point in recent years, the total cash income of farmers amounted to only $4,682,000,000.—*B. A. E. Report, Jan. 30, 1940.*

Sales Barometer

On the downward turn of farm prices, the last decade, every drop of $100 in farm income was accompanied by a drop of $80 in rural retail sales. On the upturn of farm prices during the 10-year period, every $100 increase in farm income was accompanied by an increase of $74 in rural retail sales.—*AAA Publication G-94, The Farmer's Dollar Goes to Town.*

FARM AND TOWN RECOVER TOGETHER, 1932–39



Others Prosper

"As the farmer is enriched, all other classes prosper," * * * "No nation has ever developed such agricultural resources as the United States, whether the amount and the variety of its products, or their relations to manufactures and commerce are considered * * *.

"Its products are not only those cereals and animals from which our breadstuffs and meats are obtained, but embrace also those textile materials that sustain, not only our own manufacturing industry, but the great cotton manufactures of the world. Hence our manufacturing industry has been created by, and is dependent on, our agriculture."—*From the statement of Isaac Newton, first Commissioner of Agriculture, announcing the first Crop Report in 1863.*

▶ More than half of the game and wildlife in the United States depends on privately owned land for its sustenance and refuge.—*Consumers' Guide, October 1939.*

Farmers and Businessmen Are Partners

Economic forces which strike at the income of farmers also strike against businessmen. Businessmen suffered along with their farmer customers in the days of 1931 and 1932. Business was revived when agriculture fought its way back to balanced production and better income with the Agricultural Adjustment Act of 1933. Since then business has been stepped up by every move of farmers to improve their economic position. Farm payments and the improved income resulting from balanced production have been translated into goods of every description. Greater purchasing power has resulted from every bale of cotton or bushel of wheat or corn placed under loan or in the Ever-Normal Granary. The change from soil-mining to the building of an Ever-Normal Granary of soil fertility safeguards the future of towns and cities.

Cooperation of farmers and their business neighbors in town will help to increase these advantages and make them more certain. The farmer is still fighting for parity and the closer he comes to it the better it will be for business. The businessman, the laborer, and the industrialist all stand to share the farmer's

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success as he uses his Farm Program to provide abundance at fair prices for the benefit of both processor and consumer, to conserve and restore soil fertility, and to obtain a fair return for himself.—*R. M. Evans, Administrator, A. A. A.*

Challenge of Underconsumption

According to a recent study of America's 29,400,000 families, the 14 percent with the lowest incomes in 1935, receiving $312 annually on the average, are spending only slightly more than $1 per person per week for food, about 5 cents per person per meal. Families getting $100 a month have around 10 cents per person per meal for food. The market for our farmers is doubled, so far as this group is concerned. If all families making less than $1,200 a year had earned at least $100 a month, under 1935 conditions, they would have increased their food expenditures by about 51 percent. Agricultural income probably could have been increased directly by nearly one billion dollars.

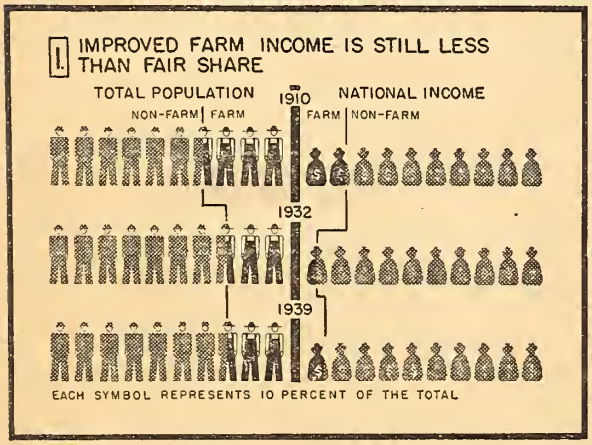
The 65 percent of our families living on an average of $69 per month need twice that much for a minimum standard of living. The unsatisfied wants of this group make up the greatest new market that has ever loomed before our businessmen and our farmers.—*Milo Perkins, President, Federal Surplus Commodities Corporation, at Des Moines, Iowa; February 24, 1940.*

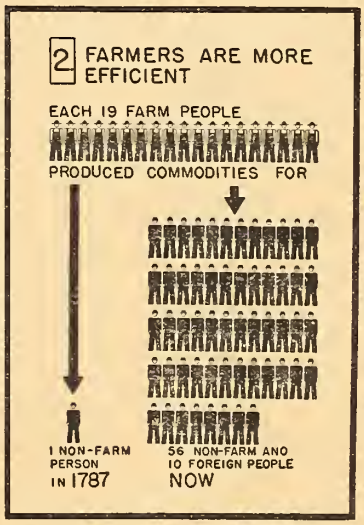
On Distribution

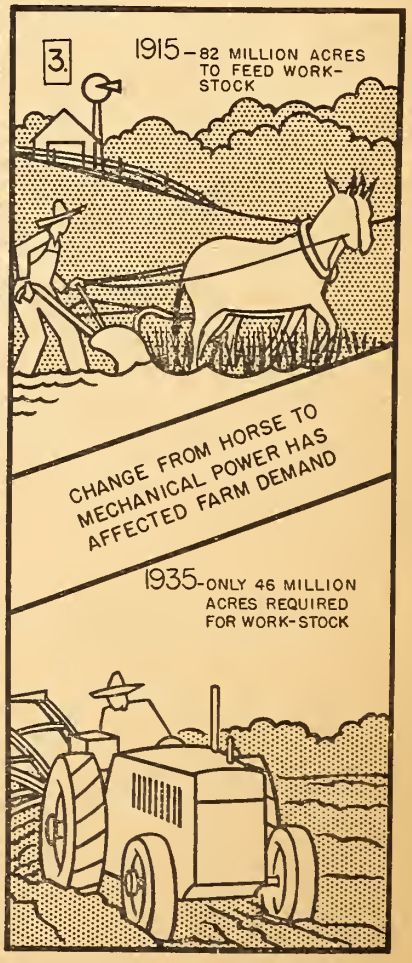
The distributor bridges the distance between the farm and the dinner table. Sometimes this distance is in miles and sometimes it is in the form of special service * * *. The consumer, of course, pays for this * * *. The housewife should know that today when she serves a 9-cent 1-pound loaf of sliced bread wrapped in waxed paper, her family eats a little over 1 cent's worth of wheat, and somewhat more than 7 cents' worth of transportation, labor, baking, paper, and other materials and services.

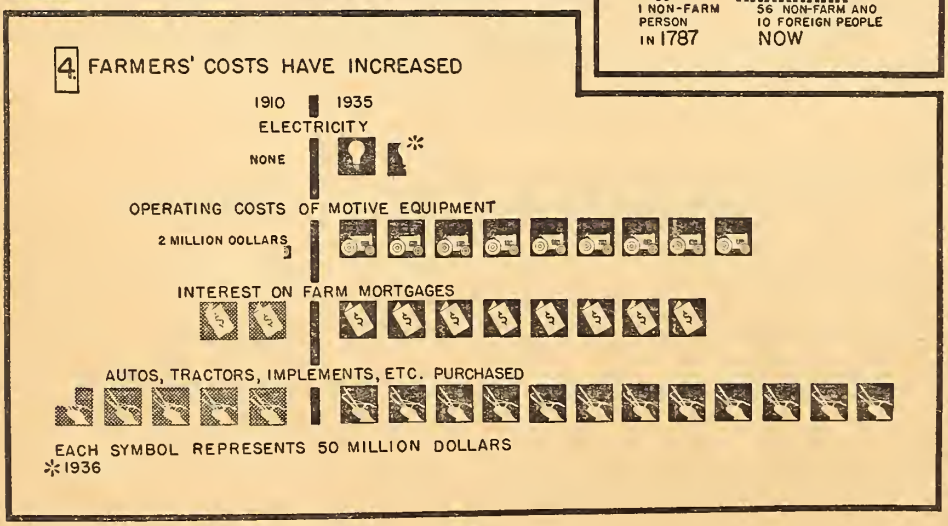
For some commodities, since the farmer's share in the retail price is usually small, even a large increase or decrease in the price the farmer gets should mean a relatively small difference in the price paid by the consumer. For example, the farm price of wheat has to increase 65 cents a bushel to equal an increased cost of one cent a loaf of bread to the consumer.—*AAA Publication PC-7, Between You and Me.*

Some of the Reasons Why . . .









Fair Share

Before the War, farm income constituted about 16 to 17 percent of the national income. On a per capita basis and in line with past experience, this figure ought now to be more nearly 13 percent.—*Louis H. Bean, Economic Adviser, A. A. A., at Springfield, Ill., Jan. 28, 1938.*

Better Living

Our county had an average cash farm income in 1930, 1931, and 1932 of around 2½ million dollars a year. For the last 4 years, it will average something over 7 million dollars a year.

But cash income doesn't tell the whole story. Farmers, tenants, and planters are all better off because our county is growing more of its own food and feed. We don't raise now all we need to, but an increase in food and feed for more use on the farm, along with more cash income, certainly means a better standard of living.—*Pete Williams, Member, Coahoma County, Miss., Agricultural Conservation Committee, on National Farm and Home Hour, Feb. 13, 1940.*

For Living

In 1932 farm income available for living totalled only $1,804,000,000. By 1939 it had nearly tripled and was $5,133,000,000. This included Government payments, but even this improvement left the farmer with only about three-fourths of parity income.—*USDA Press Release 1502-40, Feb. 23, 1940.*

▶All graphs and charts in this issue are based on official statistics of the U. S. Department of Agriculture.

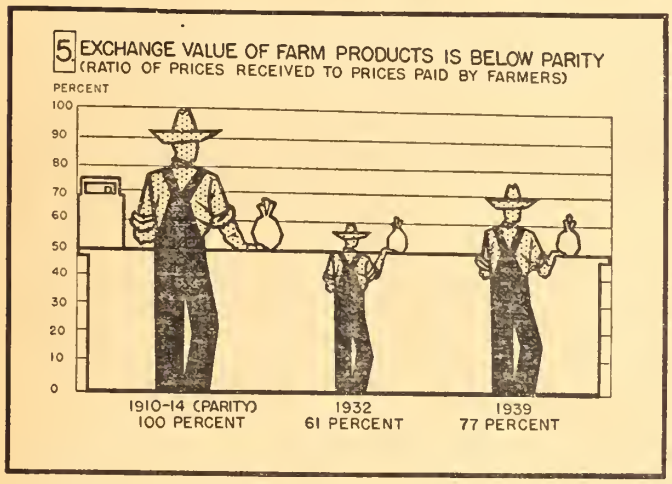
Farmers Efficient

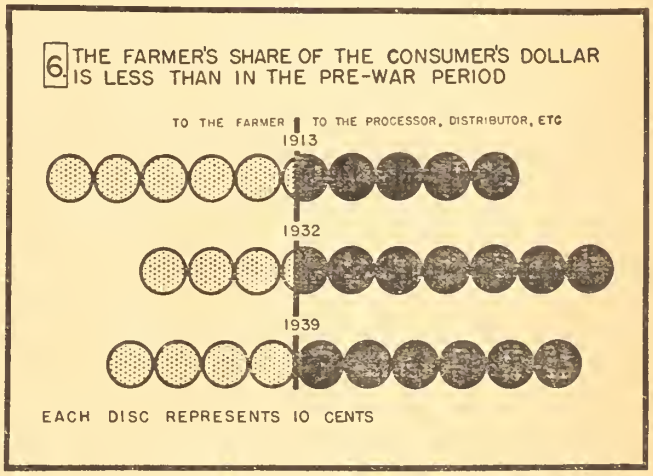
Agricultural efficiency has more than kept pace with industrial efficiency, as judged by output per worker. From 1910 to 1930 output per worker increased 39 percent in factories and 41 percent on farms. The record of the last 10 years is equally impressive.—*AAA Publication G-94, The Farmer's Dollar Goes to Town.*

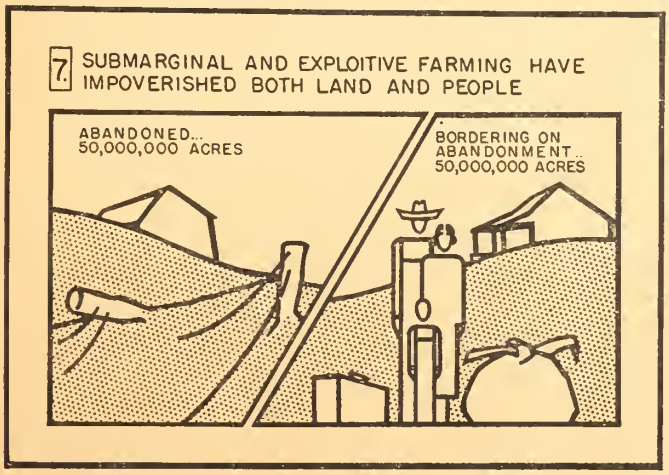
Producers of Plenty

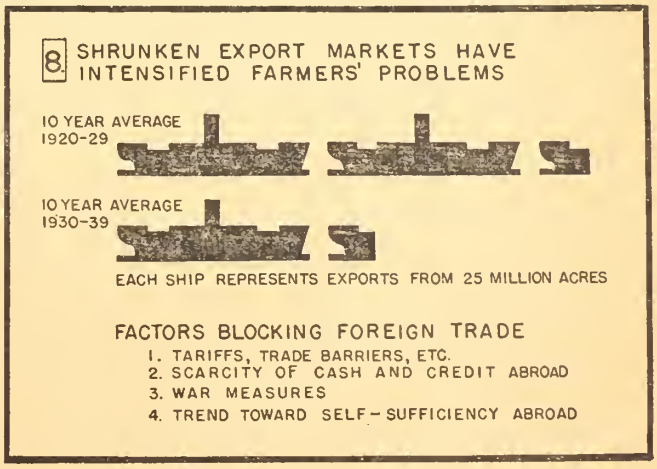
In the 2 years 1937 and 1938 the average production on farms was 5 percent greater than in 1929. Factory production for the same years was 19 percent below 1929 levels. With no marked change in farm population the last 40 years, farmers are providing abundantly for city populations which increased more

the Nation Has a Farm Problem









than two-thirds during this period.—*AAA Publication G-94, The Farmer's Dollar Goes to Town.*

More to Spend

Government loans on corn added materially to farmers' income in 1939. Cash income from sales and loans on corn amounted to $326,000,000 compared with $269,000,000 a year earlier.—*The Agricultural Situation, February 1940.*

War Hurts Farmer

This war is destroying, rather than building, foreign trade for American agriculture * * *. For example, United States exports of tobacco in December 1939 had less than a third of the value of our tobacco exports in December 1938. Exports of fruits and nuts were down to less than half the December 1938 figure, and exports of grain about a fifth less than a year earlier * * *. It now seems clear that the one person in America who isn't going to profit from this war is the farmer.—*R. M. Evans, Administrator, AAA, at Des Moines, Ia., Feb. 23, 1940.*

Trade Trends

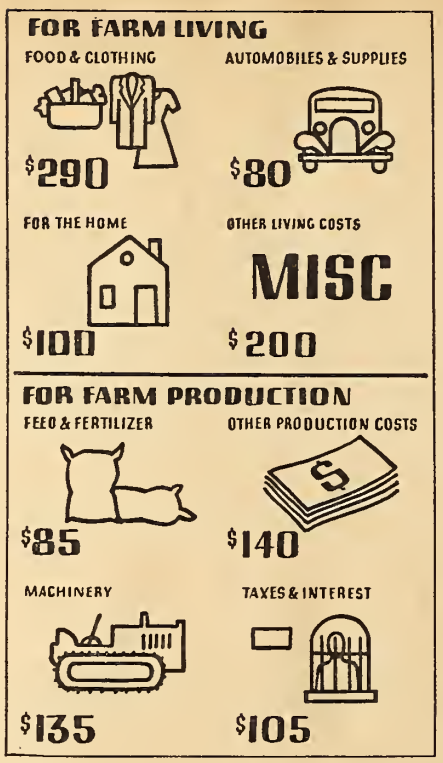
Foreign trade has been a large factor in developing American agriculture. It is still of great importance. Among foreign trade facts which farmers should study in connection with the AAA farm program are the following:

Europe absorbs two-thirds of agriculture's exports, only one-third of industry's. Consequently, European dislocations have been especially severe on American agriculture.

There are about 4 acres producing for the export market for every acre which might be used to produce competitive imports. In the crop year 1938–39 farm imports were the equivalent of only about 7,564,000 acres, while farm exports represented an equivalent of 28,375,000 acres. Farm exports are about four times more important to the American farmer than farm imports.

Farm exports to 22 trade-agreement countries increased 61.2 percent from 1934–35 to 1937–38, compared to an increase of only 37.9 percent to other countries.—*AAA and Foreign Trade, February 1940.*

INDICATED CASH EXPENDITURES OF AVERAGE FARM FAMILY, 1935



Conservation

Air View

I took an airplane ride over the country around Farmville, Va., a short time ago. And I could tell from the air where my prospects were and where they weren't. When you see a farm with gullies running out every which way, you know that farmer couldn't make a down payment on a $50 automobile.—*George A. Newman, automobile dealer, Farmville, Va., in National Farm and Home Hour, Aug. 8, 1939.*

Why Payments?

Economic pressure on the farmer is generally recognized as the major cause of unwise land use * * *. Under such pressure the farmer is compelled in spite of himself to deplete his soil of its productivity, or to expose it to needless erosion, in an effort to grow enough "cash" crops to meet his fixed costs of living.

The agricultural conservation programs represent the major attempt of the Federal Government to lighten this economic pressure sufficiently to enable the farmer to make prudent use of his land. Through these programs the Federal Government offers to help farmers meet the unavoidable costs of better land use.—*Planning for a Permanent Agriculture. Miscellaneous Publication No. 351, U. S. D. A.*

Brakes on Soil

Broadly, the three types of crops, from the rotation standpoint, are grass and legumes, grains, and intertilled or row crops. It would be well if intertilled crops could always be thought of as soil-depleting—necessary, but to be kept under control, like an automobile, which is always potentially dangerous in addition to being useful. Grass and legumes are like the brakes on an automobile. The steeper the hill, the more necessary it is to have good brakes; but they are also needed on the level.—*Soils and Men, p. 23.*

Value of Trees

Their (forest trees) effectiveness for control is amply proved. To take a single example among many: During a storm in northern Mississippi, land under forest cover lost 75 pounds of soil per acre. Nearby land under cultivation lost 68,000 pounds per acre.—*Soils and Men, p. 29.*

▶Land values have advanced about 16 percent since 1933.—*The Agricultural Situation, December 1939.*

▶While agriculture is commonly regarded as a single industry, there are more than 100 separate commodities, all more or less competitive, each having its economic problems.—*The Agricultural Situation, March 1939.*

▶The businessmen of Gilliam County, Oregon, financed the planting of crested wheatgrass on 30,000 acres in order to conserve the soil, because they saw a definite need for and a business interest in maintaining the soil of their community.—*USDA Press Release 1502–40, Feb. 23, 1940.*

Compiled by the Division of Information, Agricultural Adjustment Administration, United States Department of Agriculture, from official and unofficial sources for the information of committeemen and others cooperating in the administration of the A. A. A. programs.

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